Chapter 9

**The Future of Business**

**Will Business Survive?**

In every historical period people occupying certain key social roles achieve a position of supremacy over the rest of the population. Depending on the means of production and the values of society, it is either hunters, warriors, priests, landowners or merchants that end up running not only the economy but also politics and culture. They accumulate wealth, influence the laws, and even set the standards of truth and beauty. It is fairly obvious that in our time the most powerful segment of society is the one engaged in business; it not only controls the flow of resources, from food to oil, but also has a disproportionate voice in how the country is run, and by whom. Business interests dictate American interventions abroad, whether to protect investments in the banana groves of Latin America or in the oil fields of Kuwait. The most important functions of society, which used to be relatively independent of the market, have now become servants of Wall Street. From managed health care to agribusiness, from the media to genetic research, from education to music and entertainment, the intrinsic value of these institutions has been overshadowed by their valuation on the market. It no longer matters whether a newspaper does an excellent job in providing useful information; if it does not ring the cash register at the expected rate, it's deemed a failure. It does not matter if a hospital serves the health of the community well; what counts is whether its dividends meet the investors’ expectations. And the profits margins that are expected, which used to be in the single digits, have now escalated into the twenties.

Of course it is not the fault of business alone that we have arrived at this juncture. It is society as a whole that has developed excessive greed, a taste for the highest possible returns on investment in the shortest possible amount of time. In the past, people didn't expect that all their happiness would be provided by the market. Our ancestors took pride in their jobs, drew security from land and livestock, placed hope in religion, and were comforted by family and community. The small incremental wealth brought by financial investments was considered just a part of a widely diversified portfolio of blessings. But now it seems that to cultivate job, religion, family, and community takes too much effort; it is much easier simply to wait for our stocks to miraculously multiply. Managers in publicly held companies can do little to stem this tide of expectations; they know that if they implement a strategy that yields less profit in order to optimize some other value, some
sharp-eyed investor will ask for their dismissal at the next stockholders' meeting.

In these market conditions businessmen who aim higher than merely generating profits face an uphill struggle. Yet with power and leadership comes a burden of social responsibility. In the past, when people began to suspect that the Church was not adding much value to their lives, its legitimacy began to decline and so did its power. When the landed aristocracy in Europe was perceived to be a hindrance to the well-being of the population as a whole, its decline was inevitable. Similarly business will not succeed in retaining its hegemony, if it turns out that the market comes to be widely perceived as just a convenience for the benefit of the few, which does not contribute to the happiness of the many.

The business leaders interviewed in our study were generally somewhat ambivalent about their historical role. On the one hand, they were unanimously positive about the contribution their work was making to society. Occasionally they adopted a tone of enthusiastic boosterism: "Successful businesses really build the nation's economy. Business builds the American dream; that's what business does. Business pays the taxes; business builds careers; business fuels ambition; business builds the houses; business builds the highways because it all comes from business. And business is what attracts people to come to this country Business pays for advances in education; advances in health; advances in technology. Business is what makes the United States what it is."

Likewise, our subjects were generally quite optimistic about the direction in which business was heading. They all claimed that business practices are more ethical now than they have ever been before. There is both more transparency and accountability as well as a greater concern for the welfare of employees, the community, and the environment. Although all of them admitted that they knew some callous and unethical colleagues, they were adamant that these were exceptions, and that there is no greater proportion of unscrupulous individuals in business than there is, for example, in academia or among the clergy.

Of course, one would expect such a favorable assessment from members of a fraternity of businesspeople. Not only is understandable self-interest involved, but, as we have seen in Chapter 7, these are individuals who are temperamentally optimistic in most matters. One does not survive long in the boardroom or on the golf course by being critical of the business enterprise.

On the other hand, despite this overall approving judgment, visionary leaders are also aware that there are severe problems that need to be addressed for business to continue to uphold its share of the implicit social contract with the rest of society. One of the most often mentioned troubling issues is the growing inequality in the system of rewards. Here is how Douglas Yearley characterizes the dilemma: "The negative is we get an increasing spread between the most talented and the least talented and what their compensation
is.... There's too much greed. The score card is how much money do you have or are you worth?" J. Irwin Miller takes up the same issue:

And an example of [the problem] is the terribly high levels of pay that some CEOs go and fight for, at a time when general wages are not rising at all. I think this is an invitation to some kind of social unrest sooner or later. The difference between the top and the bottom person in most organizations is now greater - I'm referring to their pay-than it ever has been.

... Too many of these young people that we get out of business schools, their major aim, is to say, "Well, I want to make a million dollars before I am thirty." They don't say, "I want to do a good job or help build a company or something like that." There's nothing much selfless in them, and they're doomed to failure if there isn't a high selfless quality in their own values, if they can't identify with the university or with a corporation or with whatever they're in and say, "I want to help build that outfit." But to express their own values in terms of dollars is probably a failure.

When asked whether he believes that business practices have become better or worse during his own working life, Max DePree also points to the increasing inequity and greed as the darkest clouds on the horizon:

I think there are always going to be ... a certain amount of unethical practices in business, and we're not going to control that, and if we've got some laws that help with that, that's fine. My own feeling is that what's more dangerous to the free market system is uncontrolled inequities. One example is ... what I think are totally unreasonable amounts of money that CEOs are taking out of companies. That comes back to, what is it fair to ask the customer to pay? There are some things that customers shouldn't have to pay for if all they want to buy is a chair or a car. You know? If I want to buy an UV, I don't think I ought to pay for the CEO to have an apartment in Zurich where he keeps a mistress. I don't think that ought to be in the price of the car.

It is remarkable to hear successful capitalists express sentiments like the following: "I don't believe that the unfettered free market is going to lead to anything but trouble. You have powerful consumers, and you have powerful manufacturers and suppliers, so you are going to need the government as an intelligent umpire to keep one of them from eating the other one up." Anita Roddick takes the indictment of greed one step further, pointing out the dark side of globalization, which is causing on a worldwide scale the kind of dislocation that the Industrial Revolution brought to countries like England and Germany two and a half centuries ago:
When you see the huge compensation packages of CEOs, the downsizing which is seen as good business practice, and whole communities just disappearing because of that, and when you see this consistent obsession with going towards countries where they have the most passive and docile workers because the wage structure is different there's no protection, especially to the women workers. I think it alienates humanity in every way.... The entire message I have is to try and bring these values of the church and the temple and the great philosophers, whatever they are, and just include them as part of the language of business.

This last quote points out one of the dangers that comes with hegemonic power. It suggests that the success of business might enable it to spread and to take over our entire lives, like vigorous cancer cells that devour the healthy organs of the body. In that scenario the only measure of value "I be financial success, and the only good that which increases profit. Long-range plans will be shelved for short-term profits. Loyalty will be traded at market value. Air, water, and health will be allocated according to the laws of supply and demand. It is precisely to avoid this grim onedimensional future that the language of business must include the values of church and temple and the great philosophers."

Unfortunately these values are all too easily forgotten in the normal conduct of business. After all, constant challenges must be met, and the day-to-day operations of any one company appear to have only the most tenuous effect on the ultimate well-being of humankind. By the narrow measure of instant success that we have grown accustomed to, one is likely to do better by ignoring long-term consequences. Yet if business continues to be oblivious the responsibilities attached to the power it has acquired, sooner or later the immune system of society is going to reject the free market paradigm. One solution to this dilemma is to confront more directly the consequences of a purely market-driven view of the world, course that would involve some guided reflection. As William Pollard comments:

I don't think we've encouraged leaders to reflect. I think we've encouraged leaders to do. It starts with the educational process. I mentioned in the book [The Soul of the Firm] an experience I had at another public company, where I was on a committee responsible for interviewing the next CEO of that company. We were interviewing a lot of candidates. We wanted to somehow figure out what the person's philosophy of life was, whether they were reflective and thinking people. And there's all kinds of ways you can get at that. You can ask them what they read or what they don't read, and so forth. But we decided to get at it by simply asking this question of every candidate: How do you determine whether something is right or wrong? And we got all kinds of different answers. First of all, most of them thought we were talking about how do you determine whether something is
right or wrong in the running of a business. How do you anticipate a
problem, or something like that. So, that was the first response. We
said, "No, we're not talking about that. We're talking about moral
issues." Why is it right to be truthful? Why was it right twenty years
ago to think that women could do only certain types of jobs and men
had to do every other kind of job? Why was that right? Why is it
wrong today? Is it wrong today because the law says it's wrong? Or
was it fundamentally wrong and it just wasn't recognized? And what
are the new issues? What are the issues in front of us right now that we
ought to be thinking about what is right and what is wrong in the way
we conduct business, in the way we treat people? I could get into the
environmental issues. I could get into all other issues. What's driving a
leader to anticipate those issues? Can the corporation be a moral
community for the development of people in addition to producing
goods and services? That's a fundamental question. Well, if it can be a
moral community, then where is the leadership in thinking through the
issue of these standards?

Would it make a difference in the overall business environment if all
candidates for leadership positions in business had to explain to search
committees their conception of what is right and what is wrong, and what
constitutes the foundations of a moral community? It would probably be a
valuable first step, but it would have to be followed up with devising
measures of success, promotion, and reward that took into account these
moral imperatives. Unfortunately, it is all too easy to profess responsibility
without actually performing in a responsible way. The popes called
themselves "Servant of the servants of God" while amassing vast treasure in
the midst of widespread poverty, just as feudal lords styled themselves
protectors of widows and orphans while exercising their droit du seigneur.
Hypocrisy corrupts more than mere oblivion does.

Those who do take the time to pause and reflect tend to come up with
conclusions similar to the one reached by Max DePree:

I think that my business career was a kind of a pilgrimage, away from,
you know-how can you build up the revenues and what is the best you
can do with earnings, per share?-towards a goal of figuring out, what
really are the preserving principles of the free-market system", in a
democracy? I don't in my heart believe that either a. democracy or the
free-market system can survive unless we understand what the
preserving principles are, and we honor them. Speaking historically,
we're very, very young. And we're showing a lot of the marks in the
freemarket system of attitudes and practices that do not encourage
survival of the system.
The Principles of Good Business

What we have learned from these visionary leaders are some concrete notions about how to conduct good business—how to run organizations that make a reasonable profit, but above all else contribute to human happiness and well-being. From their many years of work experience—which cumulatively would stretch back to the Middle Ages and beyond—one can begin to trace outlines of the foundations on which a good business can be built. Of their many ideas, I will choose only three major ones, which seem to be both the most essential and the most widely endorsed.

A Vision Beyond the Self

We have seen that perhaps the most important distinguishing trait of visionary leaders is that they believe in a goal that benefits not only themselves, but others as well. It is such a vision that attracts the psychic energy of other people, and makes them willing to work beyond the call of duty for the organization. In Chapter 7 I called this kind of vision soul, because it is what transforms workers from self-centered, static individuals into entities yearning to grow and connect with other beings.

But the word "vision" is not quite adequate, for it connotes a visual or mental image of what a leader intends to achieve. The interviews suggest, rather, that what drives them is something more visceral than a mental image. It also involves feelings, and a sense of physical rootedness in a field of forces that includes the self, but is much larger. It is almost as if, instead of being transient visitors on this planet, they feel that they have a permanent place in the cosmos; a unique place that involves specific responsibilities—it is, in other words, a personal destiny, a calling. Such a vision is a powerful device. At the very least, it saves its owner a great amount of psychic energy—he need not spend time debating his actions or his movements, for the road ahead is straight and clear. In times of crisis, when danger and doubt may paralyze others, one possessed of a strong vision is not deterred from the task.

There are three main types of calling that motivate these leaders. The first is simply to do one's best. Whether it is Yvon Chouinard's desire to manufacture shirts that are indestructible, or Norman Augustine's determination to build the best aerospace company in the world, the drive to excel is a potent force, one that can become contagious and keep an entire organization focused. Doing one's best is also the spur that leads to creativity, the urge to go beyond the limits of the possible. It is the cutting edge of evolution.

What is imperative to realize is that every individual has the option to do his best. Excellence is not a goal to which only multibillion dollar firms can aspire. When Chouinard first had his vision of making the best climbing equipment in the world, he was a semi-employed blacksmith with only a broken-down station wagon to his name. Anita Roddick was a housewife with no money, credit, or experience when she decided to make and market organic cosmetic products that were body friendly. The list of entrepreneurs who started with no material means but a strong vision is endless—from Henry
Ford to Hewlett and Packard, from Ross Perot to Bill Gates. It was not financing that made them successful, but an idea of how to do things better than they were being done.

In fact, creativity is an endless source of innovation—there is always a better way to do something. It is also a very democratic process: One need not be wealthy, well connected, or even well educated to come up with a good new idea. Whether one runs a pizza franchise or a biotech company, the potential for improvement is always present. Building a vision on excellence is open to anyone who wants to do good business.

The second main form of calling is based on helping people. Here the leader's sense of responsibility is not focused primarily on coming up with an improved product or service, but on the task of aiding employees, customers, suppliers, and the community in general lead a better life. Of course this goal is not necessarily contrary to wanting to do one's best. Both are often present simultaneously, but usually the priority lies in either one or the other direction.

The leaders agree that while technical competence offers a great advantage, the ability to establish and nurture relationships within the organization is even more essential. As Timothy Rowe points out: "If somebody is focused on long-term success, then they are focused on relationships: They are focused on being reliable, following through. Most relationships are based on honesty." For some leaders there is nothing more critical than to feel that their actions are beneficial to other people, and it is this altruism that makes their leadership effective. Jack Greenberg says: "...my interest in people and my enjoyment of the relationships and the value of those relationships—having a point of view about how people ought to be treated—has helped in my career generally, to be more effective as a manager and as a leader."

As with excellence, the goal of being of service to others is an inexhaustible source of inspiration. There is always an opportunity to improve the lives of those with whom one works, or of those who use the products or services one provides. It yields an endlessly satisfying objective, whether one does it for the love of God, Buddha, or because of a fundamental belief that all human beings are worth the effort.

And then there is the calling to build a better world. Some of our subjects have developed a sense of responsibility that reaches out to the community in which they work, to democracy as the best upholder of civic institutions, and to the environment that allows us to survive and prosper. Most of them pursue this aspect of their calling outside the workplace, by devoting psychic energy and funding to various nonprofit ventures. But some leaders manage to take on this global responsibility as a strategic goal of their organization. When that happens, business truly acquires soul.

When each of these three elements of vision—concern for excellence, for people, and for the wider environment—are present, business is transformed from a tool for making profits into a creative, humane experiment for improving life. Clearly, making profits also improves life to the extent that
shareholders benefit financially. But to reduce the goals of business to merely financial returns—which we know do not enhance appreciably the quality of life—that benefit only a select number of owners, with only the minimum legal concern for the consequences of one's operations, is to sell short its powerful potential. For business to really contribute to the common welfare, and thus assure its own survival through the support of society, it will need to nurture a greater number of visionary leaders who can infuse soul in their organizations, and who can convince the rest of us that it is worth investing in their projects, even if their rate of return falls below the level of our dreams.

**How Good Businesses Operate**

But vision alone is not enough, for it has to be translated into the operating practices of the institution. Lofty goals that are not eventually implemented lead to cynicism and hypocrisy. What did we learn from these leaders about how to "walk the walk" in managing good business?

Probably the most important principle of organizational behavior that emerged from the interviews was the importance of **trust**, which is brought about by **respect**. Any group of people working toward a common goal is held together by a combination of two motives—self-interest and common interest. The former can be bought by external incentives: pay, promotion, prestige. The latter motive, common interest, must be earned through a demonstration of respect for the value of the members of the team. Workers will not place themselves at the service of a leader's vision unless they feel that the rules of the organization are fairly applied, that their contribution is recognized, and that their integrity is respected.

To achieve this end, managers must invest a great deal of their psychic energy in monitoring and enhancing the well-being of the group. And before all else, they have to develop self-discipline based on self-knowledge, which will prevent them from acting capriciously and selfishly. Whenever a leader cuts corners, shows favoritism, is unfair or **thoughtless** he undermines the common interest of the group. If this happens often enough, the only motive keeping the organization coherent will be self-interest. This not only lowers morale but increases the operating costs of the organization, because a greater amount of extrinsic incentives will be needed to keep people performing their tasks. Robert Shapiro describes what it takes for a leader to establish a common basis of trust:

I don't really believe in traditional power in large organizations, because I don't think it works very well. You can't walk around and say: "Aha! I saw you say something that wasn't true. You're fired." It's just not possible.... You are in a position to start conversations. You are in a position to influence what people will talk about and think about. And from that point on, what effect it has is a direct function of
the quality of the conversations you've initiated. It either resonates with people, appeals to something that matters to them, or it doesn't. It either feels authentic to them and feels like something they genuinely want to engage in, or it doesn't. And there's no way of compelling it. It's an invitation.

The "invitation" that Shapiro describes is a time-consuming, open-ended process, and one that lacks the clarity of the old command-and-control mode of operation. Genghis Khan, for one, would have been appalled by it. Nevertheless, it is the only way to shape a group of people held together by organic solidarity, by common purpose. Such a group will be largely self-organizing, and open to the future-an evolving organism rather than a closed system. When such a group of people works together freely on a common task, the bonds that arise can produce a tremendously satisfying feeling of community. Shapiro does not hesitate to call it love:

... [T]here seems to be a pretty widespread longing to have work that's on a "no bullshit" basis, to have work that's real, that counts, that matters for people, and to be in a place where you care about the folks around you and know that they care about you. That really is a longing.... and this is something that's a real taboo to talk about—that there were many circumstances in the business world in which people genuinely loved each other. As I say, it's not discussible, but there's just no other way to describe it.... and it's not a coincidence that, at least as I see it, that also is the environment that is most likely to produce extraordinary achievement and extraordinary financial performance.

Beyond providing respect and a sense of common purpose, an organization that does good business is also concerned with the personal growth of its members. An evolving system is not static but tends toward complexity. The most obvious expression of this concern is providing opportunities for life-long education. As C. William Pollard points out:

The other thing that's occurring is that business will provide the primary vehicle for continuous learning. The idea that a certain part of our lives we can go to school and learn, and then other parts of our lives we can go to work and work, the difference between school and work, that line is blurring.

But it is not just technical learning that's at issue. Given the fact that adults spend the bulk of their life at their workplace, an organization that does not enable its members to grow as people—to grow in self-knowledge, in wisdom, and in the ability to relate to others—is not doing them any favors. What is needed is the kind of workplace Robert Shapiro describes: "under the right circumstances, people could integrate ... within themselves and learn
about themselves, could grow, develop, could connect within the context of a for-profit business organization." In contrast, a business that ignores the complexity of human beings—ignores their need for love as well as growth—and that only deals with employees as cogs in the process of production, ends up diminishing them.

The best way management can help motivate workers to pursue common goals and grow in the process of doing so, is by providing opportunities for flow in the workplace. Assuming that an appealing vision has been communicated, and trust established, then what remains to be done is to make certain that organizational behavior does not deprive workers of the enjoyment that comes naturally from being able to do one's best. To summarize briefly the essential conditions for flow to occur, they are: clear goals that can be adapted to meet changing conditions; immediate feedback to one's actions; and a matching of the challenges of the job with the worker's skills. A book could be written on each of these three simple requirements, which have been described more fully in Chapters 3 and 4. When the goals are clear and the challenges high but attainable the workplace can become as exciting as the final game of the World Series and as soulful as a religious revival. Shapiro describes this feeling:

[M]y predecessor in this job used to go around asking people, "What was the best experience you ever had while you were working here?" And they always talk about some kind of crisis—the flood is coming and we have to protect the plant, or a customer called and said they were going to cancel the order unless we could hit some standard we never hit before. Whatever. Some challenge that's really difficult, maybe impossible, and there's usually limited time to deal with it and it's way beyond the capabilities that people thought they had. And for a period of time they forget all the rules. Everybody tells the same story. It doesn't matter what the crisis was, the stories are always the same. It'll be, "Well, we worked really hard and we kind of forgot whose job was what. We just all did it, and the best ideas came from very unlikely places, from people who institutionally were thought to be incapable of having ideas. And we really did a terrific job." . . . And they all felt great about it.

It would be difficult to find a better description of flow than this. The "best experiences" people have, the ones they feel most positive about, involve such moments of crisis where one is stretched beyond limits, where one is challenged to be creative—and, with any luck, succeeds. These moments of deep flow are the manifestation of what I have described as 'soul," that is, of a person's being transformed through his or her efforts into someone more complex than he had been before.

As we have seen in previous chapters, when the conditions of flow are present, the experience includes a focusing of attention on a limited task; a
forgetting of personal problems and of the self; a sense of control; and obliviousness to time. These are the elements of the inner state of consciousness that make whatever we are doing worth doing for its own sake. If management can provide an environment in which such experiences can flourish, the organization will run efficiently, and the staff will recognize that instead of stifling them, the job supports their growth. If flow is absent, work turns into drudgery, and the worker-loses his or her creative initiative. As William Stavropoulos says: "I think that you have to do what you like, so when you get up in the morning you say: 'Hey, I'm looking forward to this! I have some tough things to do. But I'm looking forward to it, because I like it.' " Douglas Yearley agrees with this assessment: "The first thing I say is enjoy what you're doing, because if you don't enjoy it, it's tedium and then you go off and do something else. Always maintain a sense of humor and balance outside of work, so that you don't become so engaged that you lose perspective with what's going on around you. Work hard, be ethical, but most importantly, have fun. That's kind of trite, but I really feel it."

Entrepreneurs starting a new venture, and leaders of organizations involved in complex projects usually have many opportunities to experience flow in their work-unless the challenges become overwhelming, or alternatively, they become trivial and routine. Most of the leaders we interviewed literally can't wait to get to the job each morning. Christine Comaford Lynch's enthusiasm in describing her job is typical: "It's just like, 'Wow! This is fabulous!' It's just so neat to explore ideas and then to build stuff, and to interact with fascinating people. It's really fun also to make your investors happy. That's fun. Especially the people of the first fund who took a huge risk."

While executives may find many sources of flow in their work, what of the clerical workers, salespeople, service employees? The people who clean the offices, unload the trucks, answer irate customers on the phone all day? How much flow do they experience on the job? In many organizations, management believes that question is not relevant, as it does not consider it the firm's responsibility to see to it that every employee has a job that is worth doing for its own sake, and in which one can grow in complexity. This "take it or leave it" attitude may work within the framework of a market model of human relations, but in all the ways we have discussed so far, it is simply not good business.

**A Product That Helps Humankind**

An organization with a powerful vision, one that provides flow and growth to its members, is by its very nature a wonderful creation. But there is still one more criterion to be met before such a firm can be said to be doing good business: namely, the nature of the work done by the organization. Is it a product or service that will make people happier in the long run, as well as in the present? Is it neutral with respect to human well-being? Or is it
something that we will eventually regret was ever introduced? These are
questions that resist simple answers, especially if one wishes to take into
account the future consequences of present actions, which are often
indeterminate.
Still, there are some obvious examples. Let's take one of the currently
favorite targets of liberal critics-big tobacco. Given the accumulating
evidence about the dangers of smoking, excruciating mental maneuvers must
be necessary for people working in that industry to convince themselves that
what they are doing is worthwhile. Fifty, or even as recently as twenty years
ago one might have manufactured and sold cigarettes with a clear conscience,
but it is becoming increasingly clear that despite the handsome profits it
continues to provide, it is simply not a good business.

One might take the position that there is nothing inherently wrong with
selling a product that is harmful, as long as people are aware of the danger
and are willing to take their chances. But this "individual freedom" argument
founders when applied to the young and to otherwise uninformed or
inexperienced people. Making a dangerous product available may be legal,
and it may even make sense from some perverse social Darwinist perspective
that approves of the removal of the unfit, but it is hardly good business.

To move to a positive example, I recently met an engineer who works for a
company that makes artificial lungs and other breathing apparatus to alleviate
the suffering of patients with respiratory diseases. The firm was in a
competitive market, the working hours were long and stressful, and the
morale of the organization was suffering. Then the engineer had the idea of
inviting some of the users of the firm's products to visit the plant, and
describe the difference the machines had made in their lives. Strangely
enough, up to that point the workers had not given much thought to the
consequences of what they were doing. The machines they worked on
provided immediate technical challenges and routine tasks, but their ultimate
use was not often contemplated they could just as well have been land mines
or meat grinders. When families began to bring in their children who for the
first time could breathe freely, relax, learn, and enjoy life because of the
firm's product, it came as a revelation. The workers were energized by
concrete evidence that their efforts really did improve people's lives, and the
morale of the workplace was given a great lift.

Most issues that businesses deal with are not as clear-cut as the previous two
examples. Consequences are typically more difficult to assess, and there
might be honest differences in opinion regarding their nature. Many products
that are beneficial at normal levels of use become harmful when
overindulged. Whose responsibility is it, ultimately, when people make too
much of a good thing? Let's take television, for example. It is now quite
clear, as in the case with tobacco, that excessive television viewing is harmful
to children. One might argue as with guns or alcohol that it should be the
responsibility of parents, or the community, to see to it that such products are
not abused, especially by children. Nevertheless, it is difficult to sustain the
argument that providing means for stunting intellectual life is a good business. Society will eventually have to come up with a formula that adds as a cost of operation the anticipated expenses that will be incurred from producing, selling, and using any given product. In small and isolated cases this is already being done, as in the example of a service station or car wash that is held responsible for cleaning up the chemical contamination it produces. But who will eventually bear the enormous costs of dealing with nuclear waste? Or with the addiction to mindless consumerism induced by advertising aimed at children? If humankind is to keep evolving, such questions must be addressed and answered soon.

In the meantime, one can start taking small steps in helping good business prevail within the existing market paradigm. Every worker should consider the outcome of what the organization does, not just in terms of its legality, but its likely long-term effects on human well-being. If after reflection unclouded by denial it turns out that the organization is likely to do more harm than good, one should try to improve on the outcome. If that is impossible, does it not make sense to look for a job that will satisfy one's conscience?

Another obvious way to support good business is by being more selective with one's investments. Many funds now offer "social choice" options, which invest in companies that have passed some level of environmental or political scrutiny. The threshold for qualifying is often very low, and may indicate nothing more than the fact that the firm is not involved in selling weapons to developing countries, or that it does not run sweatshops or kill baby seals.

But as consciousness about these issues keeps rising, enlightened investment policies can begin to exert a powerful counterforce to the prevailing single-minded logic of greed.

Finally, there are more direct economic and political venues for supporting good business. Firms like Patagonia, The Body Shop, Ben & Jerry's, L.L.Bean and Black Diamond make it part of their operating strategy to only use organic products, to take responsibility for the growth of their workers, to help foster an environmental ethic, and to devote a fraction of their earnings to causes that advance well-being.

Other firms and individuals use the profits of business to improve the quality of life by contributing enormous sums and great amounts of time to specific philanthropies devoted to health, education, the arts, culture, the prevention of delinquency, and so on. While these efforts are important for the enrichment of society, they depend more on the particular party's sense of responsibility than on the general conduct of business perse. In the past there have also been individual popes and noblemen who used their surplus wealth to build aqueducts, orphanages, and hospitals for the poor; who encouraged the arts and built lasting monuments while the institutions over which they presided kept society from advancing. The challenge for the future is to make the operation of business itself responsible for the improvement of life.
The Origin of the Principles of Good Business

A majority of the visionary leaders claim that the values by which they operate are so obvious and natural that there is no need to seek any explanation for them. Isn't is apparent that one should be honest, trusting, and concerned for the welfare of others? And in any case, they would argue, isn't honesty the best policy for running a profitable business? It would be wonderful if these principles were, in fact, so self-evident. But in reality they are not; as even our respondents recognize, many of their peers do not find them compelling. There are many successful, law-abiding business leaders who in private life are thoughtful and generous, but who do not regard taking responsibility for more than profits as part of their job.

We do not acquire values accidentally, or as the result of some divine dispensation. Nor do we make up values out of whole cloth. We have to learn them, as we learn the language our parents speak, or math, or making music. Values are memes, units of information passed down from one generation to another that shape our ways of thinking and our actions. The evolution of culture consists to a large extent in developing increasingly inclusive values. There is a tragic East African saying that goes: "Me and Somalia against the world, me and my tribe against Somalia, me and my family against my tribe, me and my brother against my family, me against my brother." The future depends on the opposite belief."Me and everyone else for the universe."

The memes that point us in this direction have been traditionally preserved and transmitted by religions. Among the leaders we interviewed, the principles of good business were passed on through the belief systems of Judaism, Buddhism, Catholicism, various Protestant denominations, and the Mormon Church. To an extent entirely unexpected, faith in values acquired through a religious upbringing provided a solid platform for action to individuals involved in some of the most high-tech businesses, from aerospace to software.

It appears that despite the increasingly secular bent of our culture, religious traditions are still maintaining values that are essential for the evolution of culture and the improvement of human well-being. This is not to imply that it is necessarily the religions themselves that invented these values, or that the values are specifically rooted in religion. On the contrary, religions develop around some core values that people have discovered through trial and error as necessary for sustaining a good life. Our ancestors learned through experience that some behaviors are dangerous because they disrupt social harmony without improving individual well-being - like failing to respect parents and elders, having sex indiscriminately, or letting greed rule one's life. Yet they did not really understand the causes that made these things harmful. Religions evolved to make sense of why one should adopt certain
values by creating a mythical framework in which those values were embedded. It is for this reason that so many of the core memes of the great religions are similar, while the narrative frameworks surrounding them are so varied.

Be that as it may, at this point good business depends to a large extent on the same values that undergird the major religious traditions. There are two specific ways that most people come to learn such values. The first path is taken by those leaders who adopt these principles by discovering their effectiveness through direct experience, or through a personal struggle with the ideas embedded in a variety of traditions. The second path is the more typical one: by following in the footsteps of one's parents. It is safe to say that it is enormously more efficient to take the hard-won learning "off the shelf," so to speak, than to have to re-invent it on one's own. Imagine the waste of psychic energy if each generation had to reinvent the wheel; it would be a loss of a similar magnitude if each generation had to discover for itself the particular values that make life worth living.

Yet the efficiency gained by adopting values that are tried and true has a potential negative aspect. Even the best religions, philosophies, and lifestyles have a way of losing their focus and original force over time. Sometimes they become the opposite of what they were intended to be: It is unlikely that Muhammad would recognize Islam as practiced by the Taliban, nor would Jesus Christ perceive his Gospel in the materialist message of many televangelists, or in the appeals of warring factions invoking his name in Ireland and elsewhere. Without the least trace of irony, the buckle of the Nazi storm troopers bore the legend: GOD IS WITH us. It is for this reason that getting to know oneself, as discussed in the previous chapter, must involve questioning which of the values one has learned are fundamental, and which are accidental historical accretions without real substance. To take the time for such questioning may ultimately undermine the efficiency provided by a ready-made belief system, but it is an effort worth investing in.

Whether couched in religious or secular language, the core principles of good business are learned early-in the family, the church, or in some other interpersonal setting like school, the Scouts, or an athletic team. To truly absorb these principles one has to be exposed to people who live by them, for they are most effectively passed on through example and interaction. In growing up with parents who love their work, who are honest and trusting, and who are rewarded with the respect of the community, a child will take for granted that theirs is the best way to live. Books are also useful, but they seldom do the job alone. Without good parents or other strong role models one can still become very successful, but it is unlikely that one will believe in the importance of striving for the common good.

And then there is the indispensable example of visionary leaders, like the ones we have met in this book, and the companies they represent. There are, of course, many other leaders and businesses whom we were unable to include in our study, but who are equally committed to creating a better
world. Companies like Merck, Johnson & Johnson, Motorola, Hewlett-Packard, Sony, and Gallup shine like beacons guiding us through the roiling tides of greed toward the way to do good business. If more and more leaders of business would follow their lead—from small entrepreneurs to middle managers, to the captains of large industries—business would truly fulfill its potential to help make life happier for all.